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SUBJECT: IRAQI ANTI-CORRUPTION UPDATE FOR JANUARY 7

REF: A. 09 BAGHDAD 3360
[1](#)B. 09 BAGHDAD 1355

Classified By: ACCO Joseph Stafford, reason 1.4 (b and d)

PARLIAMENTARIAN THREATENS ACTION AGAINST OIL MINISTER

[1](#)1. (C) In a terse press statement December 28, the chairman of the Council of Representatives' (COR) Integrity Committee, Sheikh Sabah Al-Saidi (Fadhila), announced plans to seek the prosecution of Oil Minister Hussein Al-Shahristani on corruption charges. Al-Saidi stated that the COR had "extensive documents" implicating Al-Shahristani in corruption and would forward them to the judiciary. Sheikh Sabah made no mention of specific allegations against the Oil Minister; nor did he elaborate on the nature of the allegedly incriminating documents. (COMMENT: It is doubtful that Sheikh Sabah's threat to have Al-Shahristani prosecuted will amount to much. The COR's questioning of Al-Shahristani in November covered, inter alia, corruption allegations, and by all accounts he effectively rebutted them. Sources have asserted to us that, despite periodic allegations of Al-Shahristani's involvement in corrupt practices, there is no concrete supporting evidence. Sheikh Sabah's pronouncement is likely motivated in large part by partisan considerations, as he and his Shia-based Fadhila party, in their rivalry with other Shia-based parties -- in particular, Prime Minister Nouri Al-Maliki's Dawa party -- have long targetted Al-Shahristani and other cabinet members. END COMMENT)

INTERIOR MINISTER ACKNOWLEDGES "GHOST" EMPLOYEES

[1](#)2. (C) Interior Minister Jawad Al-Bulani, in a December 27 press statement, announced the uncovering of over 70,000 "ghost" employees in the ranks of the Facilities Protection Service (FPS), responsible for guarding GOI buildings. According to Al-Bulani, these "ghost" employees were included in the total recorded FPS workforce of 158,000. He said these fictitious personnel were discovered when responsibility for management of the FPS passed from individual ministries to the Interior Ministry (MOI) alone; in assuming control of the FPS, Al-Bulani elaborated, ad-hoc MOI committees vetted personnel records and identified the bogus employees. (COMMENT: By all accounts, the "ghost employee" phenomenon is present throughout the GOI's civilian and military workforce, with corrupt officials pocketing the salaries of subordinates listed on the payroll but performing no actual duties. Al-Bulani is generally given credit for removing some corrupt police officers and other undesirables from the Ministry's workforce. His revelation about the FPS "ghost" employees was doubtlessly designed in part to promote his anti-corruption credentials as he pursues political ambitions in the run-up to the March parliamentary elections. END COMMENT)

CONVICTION OF SHIA ENDOWMENT DIRECTOR

13. (C) Ref A reported the December convictions of four senior GOI officials, including three Trade Ministry officials prosecuted in Samawa province. In another noteworthy corruption case announced by the Commission of Integrity (COI), the Samawa court recently convicted the provincial director of the GOI's Shia endowment (waqf) institution for embezzling official funds of 307 million dinars (approx. \$300,000). Reportedly, the accused received a five-year Q\$300,000). Reportedly, the accused received a five-year prison sentence. In December 29 conversation with the High Judicial Council's spokesperson, Judge Abdel Sattar Bayrkdar (Ref A), ACCO cited the recent convictions as a welcome sign of judicial activism against corruption by the Samawa court. Judge Abdel Sattar responded that the activism was not confined to Samawa's judiciary, asserting that courts throughout Iraq were demonstrating a growing recognition of the need to do their part in combatting corruption by bringing corrupt officials to account.

CORRUPTION IN DIYALA PROVINCE

14. (C) According to media reports, the Diyala Provincial Council's Integrity Committee recently conducted a survey of citizens on the extent of corruption in local government institutions. The Committee's chairman, Amer Al-Karkhi, announced the survey results; the proportion of respondents reporting corruption ranged from 95% for a state enterprise, the Oil Products Company, to 18% for Diyala's Education Directorate. Among the other ten institutions covered, the province's Social Welfare Directorate ranked second on the corruption scale, with 52% of respondents reporting corruption there, followed by the Communications Directorate and the Displacement and Migration Directorate, with figures of 46% and 45%, respectively. (COMMENT: As with the bribery surveys conducted by the COI -- see Ref B -- the validity of these polling statistics is unknown; no details were provided on the survey's methodology, number of respondents, etc. However, the figures reported in the Diyala survey are substantially higher than those reported in the COI's nationwide polling; the alarming figure of 95% reported for the Oil Products Company suggests that virtually every person dealing with it encounters corruption, e.g. request for bribes. END COMMENT)

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